

For immediate release

Media Release

Life insurance industry records steady continued uptake of both single and annual premium policies for YTD Q3 2024

Total new business premiums grew by 23.5% compared to the same period last year, as Financial Adviser Representatives and Tied Agents lead the charge in assisting customers to narrow their protection gaps

Singapore, 12 November 2024 — The Life Insurance Association, Singapore (LIA Singapore) today announced a set of industry results for the period January 2024 to September 2024 (YTD Q3 2024).

Singapore's life insurance industry recorded a total of S\$4.3 billion in weighted new business premiums¹ for YTD Q3 2024, an increase of 23.5% compared to the same period last year, underscoring the sustained demand driven by customers taking steps to protect their financial wellbeing with suitable insurance propositions.

Total weighted new business premiums increased by 18.2% in Q3 2024 compared to the same period last year. The growth is despite the unabated uncertainty in the global macro-environment reflected in continued economic volatility, inflation and geopolitical tensions.

In-force premiums for Group Life & Health continues to show steady growth with a 13% increase in Q3 2024 from Q3 2023 to record a total of S\$2.5 billion to date.

Increased uptake of annual premium policies shows greater prioritisation of getting better protected

Despite the macroeconomic headwinds, demand for annual premium policies remained strong as the take-up of annual premium policies increased by 24.8% in YTD Q3 2024 as compared to YTD Q3 2023, amounting to S\$3.0 billion in total weighted annual premiums.

On the other hand, single-premium policies increased 20.6% in weighted premiums over the same period last year, totaling S\$1.3 billion for YTD Q3 2024.

¹ *Weighted new business premiums measures premiums collected on new policies by taking into account (1) 10 per cent of the value of single premium policies, (2) all of a year's premiums for annual premium policies, and (3) adjusted value for products with premium payment durations of less than 10 years. The figure is calculated as follows: 10% Single Premium Insurance + 100% Annual Premium Insurance + Adjusted premium for Insurance with premium payment durations of less than 10 years.*

Financial Adviser (FA) Representatives² – both independent and insurer-backed – lead the charge in getting S\$43.3 billion sum assured in the first nine months of 2024, accounting for a notable 39.1% of the total amount of sum assured for YTD Q3 2024. Tied Representatives³ added another S\$37.0 billion in sum assured, accounting for 33.5% of the total amount sum assured in the same period.

The industry recorded a total of S\$110.6 billion in total sum assured during YTD Q3 2024, expanding 4.8% over the same period last year.

Non-par and linked policies record increased uptake

There was an increase in uptake of non-par and linked products which accounted for 38% and 37% of the total weighted new business premiums respectively in Q3 2024 compared to Q3 2023.

Non-par funds recorded total weighted new business premiums of S\$1.64 billion in YTD Q3 2024 compared to S\$1.31 billion in the same period last year, while linked policies experienced an increase of S\$0.51 billion in YTD Q3 2024 to reach S\$1.58 billion compared to S\$1.08 billion for the same period last year. Par products contributed S\$1.08 billion in total weighted new business premiums for YTD Q3 2024.

Integrated Shield Plans (IPs) are a stable cornerstone of health insurance coverage for Singaporeans and Permanent Residents

In the first nine months of 2024, nearly 112,000 Singaporeans and Permanent Residents took up IPs. Till date, a total of 2.96 million lives – approximately 71% of Singapore residents – are protected by IPs which provide coverage on top of MediShield Life.

Total new business premiums⁴ for individual health insurance for YTD Q3 2024 amounted to S\$381.2 million, an increase of 18.7% compared to the same period last year. Overall, IPs and IP rider premiums accounted for 87.0% (S\$331.5 million) and the remaining 13.0% (S\$49.7 million) comprised other medical plans and riders in YTD Q3 2024.

Claims payouts

The life insurance industry paid out S\$14.8 billion to policyholders and beneficiaries in the first nine months of 2024, a 46% increase compared to the same period last year.

Of this amount, S\$13.4 billion was for policies that matured. The remaining S\$1.4 billion was for death, critical illness or disability claims for more than 16,000 policies.

² Financial Adviser (FA) Representatives include representatives of "related FA firms". A related FA firm is a wholly-owned subsidiary of an insurance company.

³ Tied Representatives are representatives that are contracted to a specific insurance company or financial institutions and are only able to offer products from that specific provider.

⁴ With effect from 1 January 2016, MediShield Life premiums have been excluded from LIA statistics. New Business premiums refer to the premium due to the new business sold in the year, as well as incremental premiums from any repricing of plans, and change in age-band of the insureds.

OTHER HIGHLIGHTS FOR YTD Q3 2024

Distribution channels

New business from the different channels is as follows:

Distribution Channel	By Weighted Premium (%)	By Number of Policies (%)
Tied Representatives	29.9	37.1
Bank Representatives	33.1	10.4
Financial Adviser Representatives	32.7	33.4
Online Direct Channel ⁵	1.8	14.8
Others (<i>products sold without intermediaries</i>)	2.5	4.3

Product license classification

As of 30 September 2024, insurers holding “Normal” licenses contributed 99% of new sales, while “Defined Market Segments” (DMS) insurers⁶ made up the remaining 1% of new sales.

Manpower in the industry

Employment in the life insurance industry dipped by 2.0% compared to the corresponding period in 2023, bringing the industry’s workforce to 9,578 employees as of 30 September 2024. Life insurers continue seeking top talent to support their digital transformation efforts.

In the same period, 13,149 representatives held exclusive contracts with companies that operate a tied-agency force.

LOOKING FORWARD

Mr Dennis Tan, President, LIA Singapore, said, “Despite ongoing challenges, Singaporeans continue to take a long-term view as they continue to invest in addressing their protection needs and increase their financial resilience. It is heartening to note and speaks to the strong sense of self-reliance in Singapore. Additionally, with the expectation that Singapore’s economy will end in an upbeat note this year, the life insurance industry will continue to focus on innovations to introduce products and services to support members of the community achieve their protection, savings and investment needs.”

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Note to Editor: Details of the life insurance industry results for YTD Q3 2024 are available at <https://www.lia.org.sg/news-room/industry-performance/>

⁵ Online Direct Channel is a new data point from January 2019, and it refers to “any web portal or application in the internet created, developed and maintained or operated by a life insurer, on which a client may purchase a life policy”.

⁶ DMS insurers are registered by MAS to conduct only non-CPF business and with minimum policy size.

IN SUMMARY

New Business Sales (Weighted Basis)

Comparison with Corresponding Period	Jan – Sep 2024 S\$ (million)	Jan – Sep 2023 S\$ (million)	Change (%)
Single Premium	1,332.1	1,104.6	20.6
Annual Premium	2,976.6	2,385.6	24.8
Total	4,308.7	3,490.2	23.5

Comparison with Corresponding Quarter	Jul – Sep 2024 S\$ (million)	Jul – Sep 2023 S\$ (million)	Change (%)
Single Premium	414.0	413.6	0.1
Annual Premium	1,122.6	886.9	26.6
Total	1,536.6	1,300.5	18.2

Comparison with Last Quarter	Jul – Sep 2024 S\$ (million)	Apr – Jun 2024 S\$ (million)	Change (%)
Single Premium	414.0	417.7	- 0.9
Annual Premium	1,122.6	1,019.8	10.1
Total	1,536.6	1,437.5	6.9

Note: total sales figures are subject to rounding formula

Life Insurance Association, Singapore (LIA Singapore)

Established in 1962, the Life Insurance Association, Singapore (LIA Singapore) is the not-for-profit trade body of life insurance product providers and life reinsurance providers based in Singapore and licensed by the Monetary Authority of Singapore (MAS).

Vision and Mission

The vision of member companies is *to provide individuals with peace of mind and to promote a society where every person is prepared for life's changing cycles and for those situations unforeseen.*

They are *committed to being a progressive life insurance industry by collectively enhancing consumer understanding, promoting industry best practices, and through the association fostering a spirit of collaboration and mutual respect with government and business leaders.*

Values underpinning the association and its members

Unified	in our resolve to deliver innovative solutions where every individual's needs are best met.
Professional	in the way we conduct ourselves and in the counsel we give.
Ethical	in ensuring our policyholders' interests are managed with utmost integrity.
Fair	in how we strive to provide favourable outcomes to both our policyholders and shareholders.
Open & honest	in all that we do to build an environment of trust and transparency.
Proactive	in the steps we take to give our people the skills and knowledge to provide sound solutions at all times.

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